

## **Forty Eight Approved BIC Initiatives**

1. **Title:** Commercialize Military-Developed Systems - AM08 (AIR FORCE)

**Description of Initiative:** At present this initiative addresses one specific action – having the private sector purchase up to 10 C-17 aircraft for their use, with an agreement that the aircraft would be available to DoD if required in a contingency. This initiative is different from the Civil Reserve Air Fleet (CRAF) in that at the moment the private sector market for C-17 airlift is not fully defined. To help contractors deal with the risks, the initiative would include DoD loan guarantees. If the private sector firms default on the loans, DoD would make the payments and would then own the aircraft we were programmed to buy anyway. Potential savings to the Air Force are in the billions of dollars. The Services are looking for other military systems that could be acquired in this manner.

2. **Title:** Cell Phone Pooling Minutes - AM09 (AIR FORCE)

**Description of Initiative:** The original initiative called for the pooling of cell phone minutes at organization or installation levels. It has been revised to keep pace with the changing marketplace and technological advancements. Cell phone service vendors are increasingly selling services on a nationwide basis, with no roaming and no long distance fees, offering greater cell phone savings across the DoD. The DoD publicized this by encouraging users to sign up for flexible service plans via GSA, the DoD's cellular service specialist, who can tailor the customer's needs to the right provider.

3. **Title:** Eliminate Excise Tax on DoD Tactical Vehicles - AM13 (NAVY)

**Description of Initiative:** DoD contractors pay a 12% excise tax on tactical vehicles over 16.5 tons at the time of sale to the government. This tax comes out of DoD appropriations. The tax goes to the Treasury Department and is transferred to the Highway Trust Fund. Having failed with previous legislative relief, DoD is now proposing that the department keep the issue within the executive branch. The SECDEF sent a letter to the Secretary of the Treasury, asking a waiver for DoD. Preliminary savings estimate is around \$60M per year, most of which would be Army dollars. There would be additional, smaller savings because contractors would not have to pay the administrative costs associated with the tax.

4. **Title:** Streamline Compliance with Clinger-Cohen - AM15 (NAVY)

**Description of Initiative:** Some members of the BIC believe that DoD has made Clinger-Cohen implementation more difficult and onerous than it needs to be. Some initial proposals have already been approved with DoD. Most of these address eliminating some of DoD's separate, redundant documentation requirements for Clinger-Cohen compliance, substituting instead existing Defense Acquisition Board (DAB) documentation. Additional work remains to be done on this initiative.

5. **Title:** Streamline Contract Closeout Process - AM18 (OSD-AT&L)

**Description of Initiative:** A DoD-wide group – the Contract Closeout/Conversion Steering Group – has been looking at this problem for over two years and has identified most of the barriers to resolving the problem. Current requirements are that contracts be reconciled down to

the last penny, even though in many cases the required documentation is difficult to find and the dollar amounts are in material.

6. **Title:** Commercializing Acquisition: Raise the Truth in Negotiations Act (TINA) Thresholds - AM22 (OSD-AT&L)

**Description of Initiative:** The BIC members gave the staff the broad tasking to bring more commercial-like acquisition processes into DoD. This initiative is the first of several specific actions that will be undertaken to meet this guidance. TINA requires that certified cost or pricing data be submitted for many contracts over \$550K. This initiative proposes raising the dollar threshold for TINA requirements to \$7.5M, which is consistent with thresholds established as a part of Cost Accounting Standards reform legislation.

7. **Title:** Cell Phone Subsidy - AM23 (ARMY)

**Description of Initiative:** This initiative calls for DoD to stop paying for cell phones and instead to give individuals a monetary subsidy that they could use to offset the cost of using personal cell phones for official business. This initiative would eliminate government procurement, property management, billing, phone use certification, etc. – all aspects bringing enormous “hidden” costs and administrative burdens.

8. **Title:** Re-engineer Legislative Coordination Process - AM27 (OSD-GC/OSD-LA)

**Description of Initiative:** This initiative will redesign DoD’s procedures for formulating, reviewing, and submitting legislative proposals to Congress. The new process, which is being developed by an IPT under the leadership of the OSD General Counsel and OSD Legislative Affairs, will include the development of high-level “themes” for DoD’s annual legislative package, more precise definition of roles and responsibilities, and a comprehensive timeline designed to better serve the needs of DoD, OMB, and Congress.

9. **Title:** Cost Effective Multi-Year Contracting Arrangements and/or Purchase of Military Sealift Command (MSC) Ships - AM28 (OSD-Comptroller)

**Description of Initiative:** MSC faces numerous challenges in acquiring sealift capability in the most efficient and effective manner. This initiative will explore alternative approaches for acquiring the required capability, with the primary objective of reducing rates charged to customers while still meeting mission requirements. The cross-Service IPT convened to implement this initiative will consider alternative approaches that include purchase, long-term lease, and construction.

10. **Title:** Alternatives to A-76 Program - CC01 (OSD-AT&L)

**Description of Initiative:** These projects use a variety of sourcing arrangements, such as the Federal Acquisition Regulation (FAR) Part 15 – commercial cost comparison; divestiture; direct service contracts, re-engineering/ technology insertion; and or the further expansion of privatization efforts in order to transition non-core competencies to the private sector. An example is the Desktop Management Services initiative under which a Defense agency will outsource desktop computing hardware, software and support services as a new requirement and will negotiate with the private sector to accomplish this divestiture.

11. **Title:** Revise Davis-Bacon Act Thresholds - IL01 (OSD-AT&L)

**Description of Initiative:** Davis-Bacon requires that for federal construction contracts greater than \$2K, contractors document that Labor Department pay rates be used. This effectively takes labor costs out of the negotiation process for these contracts. The initiative proposes legislation that would raise the thresholds to \$100K, and also suggests considering broader changes to Davis-Bacon in the future after the effects of the higher threshold are studied.

12. **Title:** Improve Interservice PQDR Business Process - IL06 (OSD-AT&L)

**Description of Initiative:** This builds on Navy experience in redesigning the process for submission, conduct, tracking, and reporting of Product Quality/Deficiency Reports (PQDR). The redesign includes a Web-enabled system that encompasses workflow, e-mail notification, and integration with other automated systems. The Navy benefits include a 50% reduction in processing time and more reliable processing of the reporting requirements. Reports could be shared across the Services and Defense Logistics Agency, significantly improving the flow of information on common items.

13. **Title:** Allow for Contracting of Security Guards - IL08 (OSD-AT&L)

**Description of Initiative:** Current law, which has been on the books since 1983, prohibits DoD from contracting for security guards. The proposed initiative would allow us to contract for these services at selected installations in the Continental United States.

14. **Title:** Establish Process for Property Conveyance for Conservation Purposes - IL09 (OSD-AT&L)

**Description of Initiative:** This legislative proposal would allow DoD to convey surplus property for natural resource conservation purposes without having to comply with existing state and federal environmental laws and regulations prior to the conveyance. This would reduce O&M costs, reduce costs for clean up, and create potential buffer zones against future development encroachment.

15. **Title:** Guaranteed Fixed Price Remediation (GFPR) - IL12 (ARMY)

**Description of Initiative:** A GFPR contract is a new contracting method that obligates the contractor to guarantee achievement of DoD's environmental clean-up objectives (i.e. regulator closure by a certain date) for a fixed price. The contractor uses insurance to protect against cost overruns. This technique has already been used successfully by the Army, which has awarded eight GFPRs (6 BRAC, 2 Active). The Army's initial GFPR contracts have produced significant improvements in both cost and timeliness.

16. **Title:** Managing for Results - IL13 (USMC)

**Description of Initiative:** This initiative will link resources consumed by DoD installation activities to performance outcomes (results), customer demands, and work outputs by using Activity-Based Costing and Management (ABC/M) tools, performance measures, and benchmarks. The initiative designates the USMC as a prototype to develop an improved approach to budget-performance integration by implementing activity-based resource management. A multi-Service Coordination and Review Board will work with the Marine Corps' implementation project to identify, share, and transfer best practices across the Services, identify and recommend Service and joint requirements, develop and propose recommended

DoD policy and procedures designed to adopt and implement ABC/M practices, and provide a proof of concept for the use of techniques in other areas of DoD management, such as logistics and acquisitions.

**17. Title:** Provide Adequate Fitness Facilities – IL14 (OSD-P&R)

**Description of Initiative:** Fitness facilities at many installations need to be improved in order to provide the proper level of support to the military and civilian personnel who use them. Each Service has developed a plan to meet the requisite standards in a timely manner. However, recognizing that there might be alternative approaches that are worthy of consideration, the Services and the OSD Staff will form an IPT to explore possible alternatives. These could include a combination of military construction, public-private ventures, facilities consolidation, and new facilities designs. The intent of this initiative is not to prescribe a single approach for all Services, but rather to develop a robust slate of alternatives that each Service can use as appropriate to address its unique requirements.

**18. Title:** Enterprise Software Initiative (ESI) – IT01 (OSD-C3I)

**Description of Initiative:** This is a joint project, established in 1998, intended to implement a software enterprise management process that leverages DoD's vast buying power. This would streamline the acquisition process by providing best price, standards-compliant software products through online catalogues. The proposal calls for institutionalizing and encouraging the use of this ongoing program. At present, many DoD IT buyers do not use the program, foregoing what are estimated to be potential savings of 40% on some software licenses. The proposal also calls for Web-enabling the purchase of IT assets and improving DoD's life cycle management of software. Initial steps already taken include preliminary discussions with Microsoft to consolidate all DoD purchases with that major software provider.

**19. Title:** Implement Virtual IT Marketplace - IT02 (OSD-C3I)

**Description of Initiative:** This can be viewed as an extension of the previously approved enterprise software initiative (ESI). While ESI provides for improved acquisition and management of software, this new initiative addresses the acquisition of hardware and selected services. At present, DoD customers have numerous stand-alone sources to use to acquire IT products and services. This initiative, which is at the conceptual stage of development, would provide greater visibility of numerous buying sources through an electronic web-based portal.

**20. Title:** Improve the Speed and Quality of the Decision-Making Process within DoD - IT03 (AIR FORCE)

**Description of Initiative:** Under this initiative, a cross-Component IPT will be formed to study the reengineering of DoD's decision-making process. The IPT will define the problems and issues associated with the current process, identify constraints and opportunities that should be addressed in a reengineered process, and then present options to the Senior Executive Council or Business Initiative Council. This initiative specifically excludes decision-making that is part of the DoD Planning, Programming, and Budgeting System. (This is a restructuring of an initiative titled "Streamline the Administrative Coordination Process," which the BIC approved on 3 December 2001.

21. **Title:** Streamline IT Equipment Disposal Process - IT04 (OSD-AT&L)

**Description of Initiative:** At present, DoD uses a dual process to dispose of IT hardware – the Defense Logistics Agency (DLA) is responsible for disposal, but the Defense Information Systems Agency (DISA) must first assess whether excess equipment can be reused elsewhere. This initiative proposes that DISA be removed from the loop. This will streamline the process by keeping the responsibility under one agency.

22. **Title:** Simplify Physical Access Control at DOD Facilities by Using the Common Access Card (CAC) - IT05 (OSD-C3I)

**Description of Initiative:** Eliminate the necessity to issue and for DOD personnel to carry additional physical access badges when they are issued the Common Access Card (CAC).

23. **Title:** e-Content Enterprise Licensing - IT06 (NAVY)

**Description of Initiative:** Several DoD organizations have found that they can reduce their costs for subscription services for electronic content by joining together to consolidate their leases. This initiative expands the enterprise agreement methodology in order to further leverage the purchasing power of DoD.

24. **Title:** International Electronic Information Release Policy - IT07 (OSD-AT&L)

**Description of Initiative:** This initiative will determine the best method of sharing information between U.S. Government offices and foreign government organizations for the purpose of conducting foreign military sales (FMS) business, military equipment loans, and cooperative programs for the development and production of military equipment.

25. **Title:** Delegation of Waiver Authority for Employment of Retired Military - MP04 (AIR FORCE)

**Description of Initiative:** Current statute imposes a 180-day waiting period before DoD can hire retired military. The waiting period can be waived, but DoD policy is that waivers be approved at major Army command level (or equivalent for other services). The proposal calls for changing the DoD policy to allow Service secretaries to delegate waiver authority as they see fit, probably to installation level. The benefit would be a more responsive system to hire qualified people who might otherwise go elsewhere because of the delays involved. (This proposal would not affect the legislative prohibition that addresses civilian positions established within the last two years.) Congress has waived these constraints for the duration of the current emergency, making this initiative moot for the near-term.

26. **Title:** One-time Clearance of Priority Placement Positions - MP05 (OSD-P&R)

**Description of Initiative:** Current rules require that “stopper lists” be checked several times during the hiring process, to include immediately prior to making a formal job offer. This proposal would allow hiring officials to check the stopper list once at the start of the recruitment process and not have to check it again. The initiative is being implemented as a one-year test at selected installations and for selected job series. If the results are positive, DoD would want to expand the program incrementally to cover all occupations. The intent for the future is to broaden the applicability of the initiative to all career fields.

27. **Title:** Manpower Mix Management Flexibility - MP06 (ARMY)

**Description of Initiative:** In the past, OSD has issued civilian end strength guidance to the services in the Defense Planning Guidance (DPG) and other documents. This is counter to overarching guidance that espouses management by using the most efficient mix of in-house and contractor manpower. This action was completed, when the DEPSECDEF signed a memo establishing this as DoD policy.

28. **Title:** Optimize Professional Continuing Education (PCE) - MP14 (AIR FORCE)

**Description of Initiative:** PCE is generally considered to be education that lasts less than 20 weeks. There is a general consensus among senior Service executives that some opportunities exist to streamline PCE across the Services. This initiative calls for a team to identify all PCE requirements and sources, and select the best candidates to meet requirements.

29. **Title:** Modify Joint Professional Military Education (JPME) II Requirements - MP15 (JCS)

**Description of Initiative:** JPME II is the education that officers receive as part of their certification as joint staff officers. By law, JPME II must be conducted at the Joint Forces Staff College, and must be 12 weeks in duration. This initiative proposes DoD be allowed to reduce the length and to provide education at Service staff colleges and war colleges.

30. **Title:** Streamline the General Officer/Flag Officer Nomination Process - MP18 (OSD-P&R)

**Description of Initiative:** At the December BIC meeting, the BIC directed the staff to look into this process, noting that it appears to be too cumbersome and does not allow Service secretaries sufficient flexibility in assigning senior officers. The BIC staff learned that the Under Secretary of Defense (Personnel & Readiness) already has a DOD-wide team working on this issue. That team will provide periodic updates to the BIC members.

31. **Title:** Improve Visibility of DoD Contractor Services - MP20 (ARMY)

**Description of Initiative:** Planners and programmers at the Departmental level lack visibility of the labor and costs associated with the contract work force and of organizations and missions that the contract workforce supports. This initiative obtains better visibility of the contractor work force, establishing the Army as the DoD pilot to test the contractor manpower and cost reporting process.

32. **Title:** Consolidate Defense Agency Overhead Functions - MP22 (OSD-AT&L)

**Description of Initiative:** This initiative will examine opportunities for potential consolidation of the non-core functions performed by Defense Agency and Field Activities. These non-core functions include resource management (PPBS), human resource activities, information technology, legal, contracting, facility management, and public affairs.

33. **Title:** Re-engineer Personnel Security Investigations - MP24 (OSD -C3I)

**Description of Initiative:** This initiative seeks relief to the burdensome and slow processes associated with granting personnel security investigations. A two-phased approach will begin by gathering quick-fix remedies to obstacles identified through current studies of the personnel security investigative process. With the quick-fix remedies implemented, the next phase will review and redesign the end-to-end process, from request to adjudication. The reengineering

effort, which will carry an up-front cost, is expected to improve timeliness and reduce long-term costs.

34. **Title:** Streamline Technology Readiness Assessments (TRA) - RE07 (AIR FORCE)

**Description of Initiative:** There is a new requirement in the DoD acquisition regulations that requires an independent TRA for each ACAT 1D system. The proponent, the AF, believes that TRAs are not needed in all situations. The initiative proposes that PEO/PM be given flexibility in determining when a TRA is required.

35. **Title:** Elimination of Value Engineering Reporting - RE08 (AIR FORCE)

**Description of Initiative:** This initiative would eliminate the annual value engineering reporting requirement in OMB Circular A-131. Senior Administration, DoD, or senior service managers do not use the report's information for decision-making purposes.

36. **Title:** Recovery Auditing - RM01 (NAVY)

**Description of Initiative:** This initiative addresses the issue of potential overpayments to contractors. It calls for the hiring of civilian audit firms to audit contracts for possible overpayments. The auditing firm would be paid only if it found overpayments that were then recovered, and the firms' fee would be paid from the recovered funds. This initiative is especially attractive in contracts involving working capital funds, because recoveries on these contracts would allow the recovered funds to be spent regardless of the year. If appropriated funds were recovered, they would be subject to existing rules on funds expiration dates.

37. **Title:** Web-Based Invoicing and Receipt Processing - RM03 (USMC)

**Description of Initiative:** This addresses the invoicing and payment associated with government contracts. The initiative calls for converting a paper-based process to a Web-enabled process. This will reduce processing time, provide for more timely payment and thus reduce penalties incurred by the government, and incur reduced operating costs from DFAS, which charges less for electronic transactions than for paper ones.

38. **Title:** Establish Funding Flexibility within a Program - RM05 (ARMY)

**Description of Initiative:** This proposed legislative initiative calls for giving the Services the authority, for Acquisition Category (ACAT) 1 systems, to use procurement funds and RDTE funds interchangeably for a given program, within prescribed dollar/percentage limits (\$30M or 10%, whichever is less). This would give PEOs/PMs greater flexibility to respond to changing requirements, especially in RDTE just prior to production. It would reduce the impact of testing problems, enable PEOs/PMs to respond to unanticipated problems, and reduce overall cost associated with program delays. Weapon systems would be delivered to the troops faster and cheaper.

39. **Title:** Raising Below Threshold Reprogramming Levels - RM06 (OSD - Comptroller)

**Description of Initiative:** These thresholds are established by DoD policy and have not been changed in 20 years (i.e., the thresholds have not been adjusted for inflation). The proposal would raise the RDTE and procurement appropriation reprogramming thresholds to more reasonable levels. Thresholds for O&M appropriations would not be affected.

40. **Title:** Increase Flexibility of Expired Year Funds - RM07 (AIR FORCE)

**Description of Initiative:** At present, when liabilities are discovered that involve expired appropriations; DoD must pay these bills with current year dollars if the original expired appropriation has no unobligated dollars remaining. This proposed legislative initiative would allow DoD to use any expired appropriation to pay such “antecedent liabilities.” There are examples where current appropriations have had to pay millions of dollars of such bills, with an obvious adverse impact on the current year program.

41. **Title:** Increase Expense/Investment Threshold - RM08 (AIR FORCE)

**Description of Initiative:** Congressional language and DoD policy impose a \$100K limit on small equipment purchases with O&M, while all other purchases are required to be made with procurement appropriations. This limitation can result in a 3-4 year delay in equipment acquisition. The proposal is to raise the threshold to \$500K. The benefit is greater flexibility and responsiveness at the user level.

42. **Title:** Establish O&M Closeout Flexibility - RM09 (ARMY)

**Description of Initiative:** All Service O&M appropriations expire at the end of the fiscal year. This proposal, which emulates existing authority already granted to at least two other agencies (Veterans Affairs and the Defense Health Program), would allow the Services to obligate up to 2% of their annual O&M appropriations in the following year. This would give the Services much more flexibility in managing their operating funds and would reduce or eliminate the sometimes-unwise year-end spending that the current rules encourage. It would also reduce the deobligations (and thus lost dollars) that sometimes result from year-end spending. At present, the initiative is proposed as a pilot test that will involve only the Army.

43. **Title:** Buy to Budget - RM13 (AIR FORCE)

**Description of Initiative:** In the annual budget process, Congress approves both a dollar value and a specific quantity for each major procurement. In cases where DoD is able, due to effective negotiation and contractor efficiencies, to buy greater quantities with no additional dollars, current policy requires that DoD request prior Congressional approval before acquiring the additional quantities. Obtaining prior approval is a time-consuming process. This initiative would allow DoD to purchase the increased quantities without prior approval, provided that a valid requirement exists for the higher quantities.

44. **Title:** Working Capital Fund - Business Practices - RM16 (OSD-Comptroller)

**Description of Initiative:** The objective of this initiative is to improve the business practices and financial policies of the Defense Working Capital Fund (WCF) across all business areas. To achieve this objective, the OSD Comptroller has been asked to assemble a WCF Task Force that will conduct a focused review of selected business practices and financial policies. The Task Force, with senior representatives from all Services, OSD Staff, and selected Defense Agencies, will identify both short- and long-term actions to improve WCF operations.

45. **Title:** Eliminate/Reduce Unnecessary Reports - ST01 (MARINE CORPS)

**Description of Initiative:** This initiative implements a process to routinely evaluate potential unnecessary, duplicative or excessive reporting requirements. Reports to be eliminated will be identified through the seven BIC Process/Function Boards.



46. **Title:** Common Flight Clearance Process or Tool - TE01 (NAVY)

**Description of Initiative:** At present, all aircraft modifications or changes to approved aircraft stores require new aircraft clearances. This process is time-consuming and results in delays that can affect readiness. This initiative uses a commercial off-the-shelf product to automate the flight clearance process.

47. **Title:** Common Range Scheduling Tool - TE02 (NAVY)

**Description of Initiative:** At present, the scheduling of test ranges and other test facilities is done through multiple independent scheduling systems, even at the same installation. The scheduling process is labor-intensive and time-consuming, and contributes to unnecessary scheduling delays. The proposal calls for developing a Web-based scheduling tool that can be used by multiple facilities/ranges at multiple sites. Existing information technology capabilities should provide for near-real time updates.

48. **Title:** Embedded Instrumentation (EI) - TE08 (ARMY)

**Description of Initiative:** Establish Acquisition policy that requires all systems to have an integrated set of embedded instrumentation for diagnostics, prognostics, testing, and training if it is considered reasonable and practicable based on a Business Case Analysis. EI is an enabling tool for transformation processes for logistics including concepts such as “just-in-time” maintenance and supply; for testing, a better understanding of system operation during test; for training, an expansion of “in-the-field” training opportunities. EI will provide cost savings and an enhanced level of force readiness across DoD.